



(BILLING CODE: 3510-DS-P)

## DEPARTMENT OF COMMERCE

### International Trade Administration

A-588-873

#### Certain Cold-Rolled Steel Flat Products from Japan: Final Results of Changed Circumstances Review, and Revocation of Antidumping Duty Order, in Part

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: On January 4, 2017, the Department of Commerce (the “Department”) published its initiation and preliminary results of a changed circumstances review (“CCR”) and stated its intention to revoke, in part, the antidumping duty order on certain cold-rolled steel flat products from Japan (the “*Order*”). The Department preliminarily determined that producers accounting for substantially all of the domestic production of the like product had no interest in the continued application of the *Order* with respect to certain light gauge cold-rolled flat-rolled steel meeting the requirements of ASTM A424 Type 1. For the final results, the Department is revoking, in part, the *Order* with respect to the cold-rolled steel flat products described above.

DATES: EFFECTIVE (Insert date of publication in the *Federal Register*).

FOR FURTHER INFORMATION CONTACT: Robert Bolling, AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3434.

## SUPPLEMENTARY INFORMATION:

### Background

On January 4, 2017, the Department published a notice of *Initiation and Preliminary Results of Changed Circumstances Review, and Intent to Revoke Order in Part*.<sup>1</sup> In the *Preliminary Results*, the Department determined that five domestic producers,<sup>2</sup> which account for “substantially all” of the cold-rolled steel production in the United States,<sup>3</sup> expressed a lack of interest with respect to certain light gauge cold-rolled flat-rolled steel meeting the requirements of ASTM A424 Type 1. As a result, the Department preliminarily determined that the domestic industry producing the like product has no interest in the continued application of the *Order* with respect to the above-referenced merchandise.

We invited interested parties to comment on the *Preliminary Results*.<sup>4</sup> ArcelorMittal USA LLC (“ArcelorMittal”) was the only interested party that submitted comments.<sup>5</sup> Specifically, ArcelorMittal asked the Department to modify language describing Petitioners’ scope exclusion request in the narrative portion of the *Preliminary Results* to reflect more closely the language contained in Petitioners’ proposed scope.<sup>6</sup>

On February 9, 2017, the Department extended the deadline for issuance of the final results of this CCR, and requested additional information from Petitioners regarding the

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<sup>1</sup> See *Certain Cold-Rolled Steel Flat Products from Japan: Initiation and Preliminary Results of Changed Circumstances Review, and Intent to Revoke Order in Part*, 82 FR 821 (January 4, 2017) (“*Preliminary Results*”).

<sup>2</sup> The five domestic producers are ArcelorMittal USA LLC, AK Steel Corporation, Nucor Corporation, Steel Dynamics Inc., and United States Steel Corporation (collectively, “Petitioners”).

<sup>3</sup> See *Preliminary Results*, 82 FR at 823.

<sup>4</sup> See *id.* at 824.

<sup>5</sup> See Letter from ArcelorMittal to Department, “Certain Cold-Rolled Steel Flat Products from Japan - Comments on the Preliminary Results of Changed Circumstances Review, and Intent to Revoke Order in Part,” dated January 18, 2017 (“ArcelorMittal Comments”).

<sup>6</sup> The modified scope was attached as Appendix 1 to the *Preliminary Results*.

proposed scope language.<sup>7</sup> On February 16, 2017, Petitioners submitted a letter containing a modification to their proposed exclusionary language, in which they proposed removing the words “for porcelain enameling” from the exclusion language.<sup>8</sup> No interested party commented in response to Petitioners’ proposed modification.

#### Final Results of Changed Circumstances Review, and Revocation of the Order, in Part

After an analysis of the comments received, the Department continues to find that “substantially all” of the domestic industry has no interest in the continued application of the *Order* with respect to the merchandise that is subject to this CCR. Accordingly, we are notifying the public of our revocation, in part, of the *Order* as it relates to imports of certain light gauge cold-rolled flat-rolled steel meeting the requirements of ASTM A424 Type 1.

Consistent with the discussion above, we intend to modify the scope of the *Order* to include the following exclusion<sup>9</sup>:

Also excluded from the scope of this order is certain cold-rolled flat-rolled steel meeting the requirements of ASTM A424 Type 1 and having each of the following characteristics:

- continuous annealed cold-reduced steel in coils with a thickness of between 0.30 mm and 0.36 mm that is in widths either from 875 mm to 940 mm or from 1,168 to 1,232 mm;
- a chemical composition, by weight, of:
  - not more than 0.004% carbon;

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<sup>7</sup> See Memo to the file, “Final Results of Changed Circumstances Review, and Revocation of Antidumping Duty Order, in Part – Extension of Final,” dated February 9, 2017.

<sup>8</sup> See Letter from Petitioners to Department, “Certain Cold-Rolled Steel Flat Products from Japan – Changed Circumstances Review and Partial Revocation Request – Response to the Department’s Request to Remove Certain Language from the Proposed Amended Scope of the Order,” dated February 16, 2017 (“Petitioners’ Amendment to Exclusionary Language”).

<sup>9</sup> The Department adopts the exclusionary language included in the proposed amended scope that Petitioners submitted on December 13, 2016, as modified by the Petitioners’ February 16, 2017, submission. See Letter from Petitioners to Department, “Certain Cold-Rolled Steel Flat Products from Japan – Changed Circumstances Review and Partial Revocation Request – Proposed Amended Scope Language,” dated December 13, 2016, at Attachment; see also Petitioners’ Amendment to Exclusionary Language; ArcelorMittal Comments at 2-3.

- not more than 0.010% aluminum;
- 0.006%-0.010% nitrogen
- 0.012% - 0.030% boron
- 0.010%-0.025% oxygen
- less than 0.002% of titanium;
- less than 0.002% by weight of vanadium;
- less than 0.002% by weight of niobium,
- less than 0.002% by weight of antimony;
- a yield strength of from 179.3 MPa to 344.7 MPa;
- a tensile strength of from 303.7 MPa to 413.7 MPa;
- a percent of elongation of from 28% to 46% on a standard ASTM sample with a 5.08 mm gauge length;
- a product shape of flat after annealing, with flat defined as less than or equal to 1 I unit with no coil set as set forth in ASTM A568, Appendix X5 (alternate methods for expressing flatness).

The full scope of the *Order*, incorporating the exclusion described above, is provided in Appendix 1 of this notice.

#### Instructions to U.S. Customs and Border Protection (“CBP”)

Because we determine that there are changed circumstances that warrant the revocation of the *Order*, in part, we will instruct CBP to liquidate without regard to antidumping duties, and to refund any estimated antidumping duties on, all unliquidated entries of the merchandise covered by this partial revocation that are not covered by the final results of an administrative review or automatic liquidation.

### Notification to Interested Parties

This notice serves as the only reminder to parties subject to administrative protective order (“APO”) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

We are issuing and publishing these results of review in accordance with sections 751(b)(1) and 777(i)(1) of the Act and 19 CFR 351.216.

Dated: February 23, 2017

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Carole Showers  
Executive Director, Office of Policy  
Policy & Negotiations

## Appendix

The products covered by this order are certain cold-rolled (cold-reduced), flat-rolled steel products, whether or not annealed, painted, varnished, or coated with plastics or other non-metallic substances. The products covered do not include those that are clad, plated, or coated with metal. The products covered include coils that have a width or other lateral measurement (“width”) of 12.7 mm or greater, regardless of form of coil (*e.g.*, in successively superimposed layers, spirally oscillating, etc.). The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness less than 4.75 mm and a width that is 12.7 mm or greater and that measures at least 10 times the thickness. The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness of 4.75 mm or more and a width exceeding 150 mm and measuring at least twice the thickness. The products described above may be rectangular, square, circular, or other shape and include products of either rectangular or non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process, *i.e.*, products which have been “worked after rolling” (*e.g.*, products which have been beveled or rounded at the edges). For purposes of the width and thickness requirements referenced above:

- (1) Where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set forth above, and
- (2) where the width and thickness vary for a specific product (*e.g.*, the thickness of certain products with non-rectangular cross-section, the width of certain products with non-rectangular shape, etc.), the measurement at its greatest width or thickness applies.

Steel products included in the scope of this order are products in which: (1) Iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

- 2.50 percent of manganese, or
- 3.30 percent of silicon, or
- 1.50 percent of copper, or
- 1.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 2.00 percent of nickel, or
- 0.30 percent of tungsten (also called wolfram), or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium (also called columbium), or
- 0.30 percent of vanadium, or
- 0.30 percent of zirconium

Unless specifically excluded, products are included in this scope regardless of levels of boron and titanium.

For example, specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (“IF”)) steels, high strength low alloy (“HSLA”) steels, motor lamination steels, Advanced High Strength Steels (“AHSS”), and Ultra High Strength Steels (“UHSS”). IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. Motor lamination steels contain micro-alloying levels of elements such as silicon and aluminum. AHSS and UHSS are considered high tensile strength and high elongation steels, although AHSS and UHSS are covered whether or not they are high tensile strength or high elongation steels.

Subject merchandise includes cold-rolled steel that has been further processed in a third country, including but not limited to annealing, tempering, painting, varnishing, trimming, cutting, punching, and/or slitting, or any other processing that would not otherwise remove the merchandise from the scope of the order if performed in the country of manufacture of the cold-rolled steel.

All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of this order unless specifically excluded. The following products are outside of and/or specifically excluded from the scope of this order:

- Ball bearing steels;<sup>10</sup>
- Tool steels;<sup>11</sup>
- Silico-manganese steel;<sup>12</sup>
- Grain-oriented electrical steel (“GOES”) as defined in the final determination of the U.S. Department of Commerce in *Grain-Oriented Electrical Steel from Germany, Japan, and Poland*.<sup>13</sup>

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<sup>10</sup> Ball bearing steels are defined as steels which contain, in addition to iron, each of the following elements by weight in the amount specified: (i) not less than 0.95 nor more than 1.13 percent of carbon; (ii) not less than 0.22 nor more than 0.48 percent of manganese; (iii) none, or not more than 0.03 percent of sulfur; (iv) none, or not more than 0.03 percent of phosphorus; (v) not less than 0.18 nor more than 0.37 percent of silicon; (vi) not less than 1.25 nor more than 1.65 percent of chromium; (vii) none, or not more than 0.28 percent of nickel; (viii) none, or not more than 0.38 percent of copper; and (ix) none, or not more than 0.09 percent of molybdenum.

<sup>11</sup> Tool steels are defined as steels which contain the following combinations of elements in the quantity by weight respectively indicated: (i) more than 1.2 percent carbon and more than 10.5 percent chromium; or (ii) not less than 0.3 percent carbon and 1.25 percent or more but less than 10.5 percent chromium; or (iii) not less than 0.85 percent carbon and 1 percent to 1.8 percent, inclusive, manganese; or (iv) 0.9 percent to 1.2 percent, inclusive, chromium and 0.9 percent to 1.4 percent, inclusive, molybdenum; or (v) not less than 0.5 percent carbon and not less than 3.5 percent molybdenum; or (vi) not less than 0.5 percent carbon and not less than 5.5 percent tungsten.

<sup>12</sup> Silico-manganese steel is defined as steels containing by weight: (i) Not more than 0.7 percent of carbon; (ii) 0.5 percent or more but not more than 1.9 percent of manganese, and (iii) 0.6 percent or more but not more than 2.3 percent of silicon.

- Non-Oriented Electrical Steels (“NOES”), as defined in the antidumping orders issued by the U.S. Department of Commerce in *Non-Oriented Electrical Steel from the People’s Republic of China, Germany, Japan, the Republic of Korea, Sweden, and Taiwan*.<sup>14</sup>

Also excluded from the scope of this order is ultra-tempered automotive steel, which is hardened, tempered, surface polished, and meets the following specifications:

- Thickness: less than or equal to 1.0 mm;
- Width: less than or equal to 330 mm;
- Chemical composition:

Element	C	Si	Mn	P	S
Weight %	0.90-1.05	0.15-0.35	0.30-0.50	Less than or equal to 0.03	Less than or equal to 0.006

- Physical properties:

Width less than or equal to 150mm	Flatness of less than 0.2% of nominal strip width
Width of 150 to 330mm	Flatness of less than 5 mm of nominal strip width

- Microstructure: Completely free from decarburization. Carbides are spheroidal and fine within 1% to 4% (area percentage) and are undissolved in the uniform tempered martensite;
- Surface roughness: less than or equal to 0.80 to  $\mu\text{m Rz}$ ;

<sup>13</sup> See *Grain-Oriented Electrical Steel from Germany, Japan, and Poland: Final Determinations of Sales at Less Than Fair Value and Certain Final Affirmative Determination of Critical Circumstances*, 79 FR 42501, 42503 (July 22, 2014) (“*Grain-Oriented Electrical Steel from Germany, Japan, and Poland*”). This determination defines grain-oriented electrical steel as “a flat-rolled alloy steel product containing by weight at least 0.6 percent but not more than 6 percent of silicon, not more than 0.08 percent of carbon, not more than 1.0 percent of aluminum, and no other element in an amount that would give the steel the characteristics of another alloy steel, in coils or in straight lengths.”

<sup>14</sup> See *Non-Oriented Electrical Steel from the People’s Republic of China, Germany, Japan, the Republic of Korea, Sweden, and Taiwan: Antidumping Duty Orders*, 79 FR 71741, 71741-71742 (December 3, 2014) (“*Non-Oriented Electrical Steel from the People’s Republic of China, Germany, Japan, the Republic of Korea, Sweden, and Taiwan*”). The orders define NOES as “cold-rolled, flat-rolled, alloy steel products, whether or not in coils, regardless of width, having an actual thickness of 0.20 mm or more, in which the core loss is substantially equal in any direction of magnetization in the plane of the material. The term ‘substantially equal’ means that the cross grain direction of core loss is no more than 1.5 times the straight grain direction (*i.e.*, the rolling direction) of core loss. NOES has a magnetic permeability that does not exceed 1.65 Tesla when tested at a field of 800 A/m (equivalent to 10 Oersteds) along (*i.e.*, parallel to) the rolling direction of the sheet (*i.e.*, B800 value). NOES contains by weight more than 1.00 percent of silicon but less than 3.5 percent of silicon, not more than 0.08 percent of carbon, and not more than 1.5 percent of aluminum. NOES has a surface oxide coating, to which an insulation coating may be applied.”



- Non-metallic inclusion:
  - Sulfide inclusion less than or equal to 0.04% (area percentage);
  - Oxide inclusion less than or equal to 0.05% (area percentage); and
- The mill test certificate must demonstrate that the steel is proprietary grade “PK” and specify the following:
  - The exact tensile strength, which must be greater than or equal to 1600 N/mm<sup>2</sup>;
- The exact hardness, which must be greater than or equal to 465 Vickers hardness number;
- The exact elongation, which must be between 2.5% and 9.5%; and
- Certified as having residual compressive stress within a range of 100 to 400 N/mm<sup>2</sup>.

Also excluded from the scope of this order is certain cold-rolled flat-rolled steel meeting the requirements of ASTM A424 Type 1 and having each of the following characteristics:

- continuous annealed cold-reduced steel in coils with a thickness of between 0.30 mm and 0.36 mm that is in widths either from 875 mm to 940 mm or from 1,168 to 1,232 mm;
- a chemical composition, by weight, of:
  - not more than 0.004% carbon;
  - not more than 0.010% aluminum;
  - 0.006%-0.010% nitrogen;
  - 0.012% - 0.030% boron;
  - 0.010%-0.025% oxygen;
  - less than 0.002% of titanium;
  - less than 0.002% by weight of vanadium;
  - less than 0.002% by weight of niobium;
  - less than 0.002% by weight of antimony;
- a yield strength of from 179.3 MPa to 344.7 MPa;
- a tensile strength of from 303.7 MPa to 413.7 MPa;
- a percent of elongation of from 28% to 46% on a standard ASTM sample with a 5.08 mm gauge length;
- a product shape of flat after annealing, with flat defined as less than or equal to 1 I unit with no coil set as set forth in ASTM A568, Appendix X5 (alternate methods for expressing flatness).

The products subject to this order are currently classified in the Harmonized Tariff Schedule of the United States (“HTSUS”) under item numbers: 7209.15.0000, 7209.16.0030, 7209.16.0060, 7209.16.0070, 7209.16.0091, 7209.17.0030, 7209.17.0060, 7209.17.0070, 7209.17.0091, 7209.18.1530, 7209.18.1560, 7209.18.2510, 7209.18.2520, 7209.18.2580, 7209.18.6020, 7209.18.6090, 7209.25.0000, 7209.26.0000, 7209.27.0000, 7209.28.0000, 7209.90.0000, 7210.70.3000, 7211.23.1500, 7211.23.2000, 7211.23.3000, 7211.23.4500, 7211.23.6030, 7211.23.6060, 7211.23.6090, 7211.29.2030, 7211.29.2090, 7211.29.4500, 7211.29.6030, 7211.29.6080, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7225.50.6000, 7225.50.8080, 7225.99.0090, 7226.92.5000, 7226.92.7050, and 7226.92.8050. The products subject to the order may also enter under the following HTSUS numbers: 7210.90.9000, 7212.50.0000,

7215.10.0010, 7215.10.0080, 7215.50.0016, 7215.50.0018, 7215.50.0020, 7215.50.0061, 7215.50.0063, 7215.50.0065, 7215.50.0090, 7215.90.5000, 7217.10.1000, 7217.10.2000, 7217.10.3000, 7217.10.7000, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090, 7225.19.0000, 7226.19.1000, 7226.19.9000, 7226.99.0180, 7228.50.5015, 7228.50.5040, 7228.50.5070, 7228.60.8000, and 7229.90.1000. The HTSUS subheadings above are provided for convenience and U.S. Customs and Border Protection purposes only. The written description of the scope of the order is dispositive.

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